

REPORT

DATE: October 2, 2003

TO: Administration Committee and Regional Council

FROM: Debbie Dillon, Supervising Human Resources Officer
213-236-1870 or dillon@scag.ca.gov

SUBJECT: SCAG's Medical Contribution for Retirees

EXECUTIVE DIRECTOR'S APPROVAL:

Mark Luma
Ray

RECOMMENDED ACTIONS: Authorize Executive Director to execute CalPERS resolution No. 03-446-01 setting SCAG's health benefits contributions for retirees up to the cost of their CalPERS health plan or \$550.00 per month, whichever is less, effective July 1, 2001. In addition, authorize Executive Director to pay retroactively each eligible retiree that did not receive the full contribution from July 1, 2001 through the present.

BACKGROUND: The Regional Council acted on August 2, 2001 to adopt the SCAG Classification Study recommendations effective July 1, 2001. Included in this study was a recommendation to increase the SCAG health benefits contribution for employees with no dependents from \$500.00 a month to \$550.00 a month. There was no action to increase the contribution for retirees from \$500.00 to \$550.00 a month.

CalPERS requires that an employer contribute the same rate for eligible retirees as it does for employees in an amount necessary to pay the cost of his/her enrollment and that of his/her family members. Action is required to change the contribution rate towards the cost of the CalPERS health plan of retirees to match that for employees. CalPERS requires a resolution to change the contribution rate for retirees. Thus, retirees are eligible to receive up to \$550.00 per month for CalPERS health plan premium costs incurred.

FISCAL IMPACT: Adopting this resolution will require that SCAG compensate eleven retirees up to an additional \$50.00 per month, but not to exceed \$550.00 per month. The additional \$50.00 per month for the remainder of the fiscal year is estimated at \$4400.00 and is expected to continue to rise in future years as more SCAG employees retire.

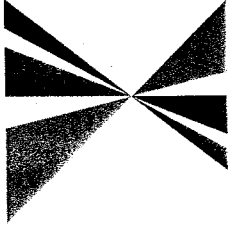
Payment will be retroactive to July 1, 2001 for all retirees owed the additional \$50.00 as evidenced by monthly CalPERS billing statements and approved by the Executive Director. This cost is estimated not to exceed \$14,500.00 for the retroactive portion.

Total cost for this fiscal year is estimated not to exceed \$18,900.00.



RESOLUTION NO. 03-446-01

SOUTHERN CALIFORNIA



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559-09/04/03

**RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER
THE
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1) Government Code Section 22825.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act, and
- WHEREAS, (2) The Southern California Association of Governments is a local agency contracting under the Act; now, therefore be it
- RESOLVED, (a) That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the cost of his/her enrollment, including the enrollment of his/her family members, in a health benefit plan, up to a maximum of **\$550.00** dollars per month plus administrative fees and Contingency Reserve Fund assessments.

Adopted at a regular/special meeting of the Regional Council on this 2nd day of October, 2003.

BEV PERRY, President

MARK PISANO, Executive Director

Attest: _____

KAREN TACHIKI, Chief Counsel

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